interest is levied on such assistance and only a nominal rate of 1% is payable by way of service charge annually. The scheme permits repayment of seed capital over a period of 10 years including moratorium upto 5 years. This scheme is operated through all the State Financial Corporations and twin function State Industrial Development Corporations.

Report submitted by International Finance Corporation

3476. SHRI KAMAL MURARKA : Will the Minister of FINANCE be pleased to state :

(a) whether the International Finance Corporation has submitted a report on 'Indian Stock Market' to the Government of India;

(b) if so, what are the details thereof; and

(c) what is the reaction of Government on the findings of the report

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) : (a) and (b) The International Finance Corporation has on the basis of a survey of the Indian Capital Markets, prepared a draft report. The draft report contains, inter-alia, the following recommendations :

(i) A coordinated strategy to develop the capital market;

(ii) An integrated national stock market system should be introduced to meet the needs of large, smaller and regional companies and private and public sector debt;

(iii) SEBI should be strengthened and as far as possible SEBI should be the single regulatory voice for securities issuance and trading;

(iv) A central clearing and depository system should be introduced at the national level.

(c) The Government takes into consideration our own experience, international experience and various studies on the subject including that of draft report of IFC while formulating a broad policy framework for development of the capital market. All the recommendations of IFC are thus broadly kept in view while deciding on various issues relating to capital market reforms.

Donation by Banks

3477. SHRI S. MADHAVAN : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that our nationalised banks are donating funds for public purposes;

(b) if so, what are the details of such donations made during the financial years from 1985 to 1992 by the various nationalised banks;

(c) whether there is any complaint about any of the chairman of the nationalised banks for misusing the power to make donations to gain undue publicity and to favour some persons;

(d) if so, what are the details thereof; and

(e) what are the rules and guidelines prescribed in giving such donations ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTRY AFFAIRS (DR. ABRAR AHMED) : (a) Yes, Sir.

(b) The present data reporting system does not generate the required information.

(c) and (d) Reserve Bank of India (RBI) have received an anonymous complaint alleging donation by a nationalised bank for construction of a stadium. RBI is already seized of the matter.

(e) RBI have reported that as per its extant instructions, the banks are allowed to make donations to individuals/institutions for worthy causes to the extent of 1% of their published profits for the previous year. The banks are also allowed to make donations to national funds recognised/sponsored by Central/State Governments subject to overall ceiling of 2% of published profits for the previous year for all types of donations.